GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2969
ANSWERED ON:18.12.2008
REVISION OF GAS PRICE OF RELIANCE INDUSTRIES LTD.
Chakrabortty Shri Swadesh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is considering revision of gas price of Reliance Industries Ltd., (RIL) as and when the gas is available from KG basin;

(b) if so, the details thereof;

(c) whether the RIL has requested the Government to raise the gas price at 4.20 dollars per unit;

(d) if so, the reaction of the Government thereto;

(e) whether Oil and Natural Gas Corporation is supplying gas at a price of 2.2 dollar/unit; and

(f) if so, the basis of RIL's demand for raising gas price at 4.20 dollars per unit ?

Answer

MINISTER OF STATE IN THE Ministry of Petroleum &Natural Gas(SHRI DINSHA PATEL)

(a) to (d) No Sir, No request has been made to the Government by Reliance Industries Ltd.(RIL) to raise the gas price.

(e) and (f) Under Administrated Price Mechanism (APM) gas is being supplied by Oil and Natural Gas Corporation (ONGC) to power and fertilizer sectors at Rs. 3200/thousand standard cubic metres (TSCM) and to transport sector and Court mandated small consumers at Rs.3840/MSCM. In the North east, the supply to the mentioned categories of consumers is at Rs.1920/MSCM and Rs.2304/MSCM respectively. At 1 US $= Rs.45, these prices translate to US $ 1.792/mmbtu, US $ 2.15/mmbtu, US $ 1.076/mmbtu and US $ 1.20/mmbtu, respectively. APM price is not comparable with market determined prices under Production Sharing Contract (PSCs).